

# NEWS RELEASE



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Old Town San Diego – Mexican Commercial Corner Concession

## State Parks' Concessionaire Selection Upheld

SACRAMENTO – The California Department of Parks and Recreation acted fairly, reasonably and within its authority when it selected Delaware North Companies Parks & Resorts, Inc., as the “Best Responsible Proposer” for the Old Town San Diego Mexican Commercial Corner concession, Administrative Law Judge Karl S. Engeman has ruled.

Engeman presided over four days of testimony in Sacramento in May after a bid protest was filed by longtime Bazaar del Mundo owner Diane Powers. The protest claimed that State Parks abused its discretion and issued the bid to Delaware North in an arbitrary and capricious manner. Bazaar del Mundo is a private concession company that currently operates a restaurant and retail sales concession sites within Old Town San Diego State Historic Park.

In the decision, Administrative Law Judge Karl S. Engeman of the Office of Administrative Hearings, affirmed the Department's award of the concession to Delaware North and denied the protest of Bazaar Del Mundo.

The “protestant failed to establish that the Department's award of the contract to awardee was arbitrary, capricious, entirely lacking in evidentiary support, unlawful or procedurally unfair,” Engeman said in his 25-page opinion.

The judge went on to state: “The Department's staff specialists and Award Board members were well qualified to perform their respective analyses and evaluations and they did so based on the information provided by the proposers and in accordance with the criteria specified in the RFP (Request for Proposal). The evidence clearly established that the “pass” score received by awardee based on its projections was warranted. There was no factual support for protestant's claim of bias.”

Under the protest procedure that is in place, State Parks Director Ruth Coleman is now free to implement her original decision and will immediately begin actions to execute a new concession contract with Delaware North. At issue is a 10-year lease for the complex of restaurants and souvenir shops that generate more than \$25 million a year in sales – the most lucrative concession business inside California's state parks.

State law requires California State Parks to put its contracts for concessions out to public bid. The concession in Old Town San Diego State Historic Park operated by Powers came up for

bid in 2003. As a result, State Parks issued a Request for Proposal outlining its goals for enhancing the visitor experience at Old Town. Four proposals were received and reviewed. The Contract Award Board found Delaware North's proposal to be superior to all the others.

Delaware North, a privately held company, also runs concessions at San Diego's Petco Park, Yosemite and the Grand Canyon.

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